

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF TAYLOR)	
COUNTY RURAL ELECTRIC)	CASE NO. 2004-00483
COOPERATIVE CORPORATION FROM)	
NOVEMBER 1, 2002 TO OCTOBER 31,)	
2004)	

O R D E R

Pursuant to Administrative Regulation 807 KAR 5:056, the Commission on December 13, 2004 established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Taylor County Rural Electric Cooperative Corporation ("Taylor County") for the 2 years ended October 31, 2004.

As part of this review, the Commission ordered Taylor County to submit certain information and an affidavit attesting to its compliance with Administrative Regulation 807 KAR 5:056. Taylor County has complied with this Order. The Commission further ordered that a public hearing be held in this case but cancelled it when, after publication of notice, no interested party advised the Commission of its intention to attend.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. Taylor County has complied in all material respects with the provisions of Administrative Regulation 807 KAR 5:056.

2. East Kentucky Power Cooperative, Inc. ("EKPC"), the wholesale supplier of Taylor County, has been authorized to transfer (roll-in) a 4.65 mills per kWh increase in the base fuel cost to its base rates.¹

3. Taylor County should be authorized to transfer (roll-in) a 4.93 mills per kWh increase in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 4.65 mills per kWh increase in EKPC's base rates. This transfer can best be accomplished by an energy adder to each kWh sold.

4. The rates and charges in Appendix A are fair, just, and reasonable, and reflect the transfer of fuel costs from the FAC to the base rates.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Taylor County through the FAC for the period November 1, 2002 to October 31, 2004 are approved.

2. Taylor County is authorized to transfer to base rates those fuel costs (as adjusted for line-loss) rolled in by EKPC from its FAC to its base rates.

3. The rates in Appendix A are approved for service rendered by Taylor County on and after June 1, 2005, the effective date of EKPC's change in rates.

4. Within 30 days of the date of this Order, Taylor County shall file with the Commission revised tariff sheets setting out the approved rates.

¹ Case No. 2004-00464, An Examination of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2002 to October 31, 2004.

Done at Frankfort, Kentucky, this 24th day of May, 2005.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

Executive Director

Case No. 2004-00483

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2004-00483 DATED MAY 24, 2005

The following rates and charges are prescribed for the customers in the area served by Taylor County Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned in this Order shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

SCHEDULE A
RESIDENTIAL

All kWh per kWh \$.06139

SCHEDULE R-1
RESIDENTIAL MARKETING RATE

All kWh per kWh \$.03683

SCHEDULE GP1
SMALL COMMERCIAL

All kWh per kWh \$.06150

SCHEDULE GP2
LARGE POWER

All kWh per kWh \$.04368

SCHEDULE B1
LARGE INDUSTRIAL RATE

All kWh per kWh \$.03600

SCHEDULE B2
LARGE INDUSTRIAL RATE

All kWh per kWh \$.03100

SCHEDULE B3
LARGE INDUSTRIAL RATE

All kWh per kWh \$.03000

SCHEDULE C1
LARGE INDUSTRIAL RATE

All kWh per kWh \$.03600

SCHEDULE C2
LARGE INDUSTRIAL RATE

All kWh per kWh \$.03100

SCHEDULE C3
LARGE INDUSTRIAL RATE

All kWh per kWh \$.03000